

**PODCAST/P.S.A. TRANSCRIPT:  
CONSUMER GUIDE: BASIC RETAIL RIGHTS**

**Introduction:**

*Welcome to the second edition of the New Bedford Local Consumer Program's podcast series. My name is Brady Bizarro. In this podcast, we'll discuss basic retail rights. With the Christmas shopping season over, many consumers are now heading back to stores to redeem their gift cards, make returns, and search for even better bargains. To protect your money and understand your basic consumer rights, let's take a look at some of the most important retail laws and regulations.*

**Gift Cards:**

*According to ABC News, each year, shoppers forget to use at least \$3 billion worth of gift cards. There are various state and federal laws governing the use and redemption of gift cards, from charging inactivity fees to expiring entirely after a period of time.*

- In Massachusetts, gift certificates & merchandise credits must be good for at least 7 years from the date of issuance.*
- A gift certificate is defined as an electronic card with a banked dollar value, a merchandise credit, or a certificate where the issuer has received full face value for the future purchase or delivery of goods & services.*
- Pre-paid phone cards are **not** considered gift certificates under the law.*
- Any gift certificate not clearly marked with both a date of issuance and a date of expiration shall be good forever. An electronic gift card with a banked dollar value that is not clearly marked with both the issuance date and expiration date on its face, must have the dates either clearly printed on a sales receipt given to the buyer at the time of sale, or available through an internet site or toll-free information telephone line to the card buyer. If these conditions are not met, the gift card never expires.*
- Merchants who refuse to redeem a gift card that they have sold before it reaches expiration can face a fine of up to \$300. Additionally, merchants selling gift certificates which impose a time limit of less than 7 years can face a fine of up to \$300.*
- Gift card sellers cannot impose certain late or administrative fees under a state law signed in March of 2008. This offense is also punishable by a fine of up to \$300.*
- Consumers can only cash out their gift cards if the remaining value is \$5 or less. Gift cards issued by National Banks are exempt from Massachusetts General Law.*
- When a business is under new ownership, gift cards and other liabilities are generally no longer valid. When a new owner operates under the same name, they will usually agree to work out a deal to accommodate some of the value of the gift card to keep their customers coming back. It is a good business practice, but is generally not a legal requirement.*

*For complaints concerning gift card fees or expiration dates, consumers should send a complaint form to the Public Inquiry and Assistance Center at (617) 727-8400 or the New Bedford Local Consumer Program at (508) 979-1693 and we can attempt to contact the gift card seller for mediation.*

**Returns:**

*A store can have any return policy it wishes - including no returns. The consumer must be able to see it and understand it before the purchase is made. The regulations state the policy must be "clearly and conspicuously disclosed." The regulations do not say the policy has to be "posted" although often stores do this. Stating the policy on the cash register sales slip does not comply, as the consumer does*

*not receive the receipt before the item is purchased. Nonetheless, it is always a good idea to save your receipts for at least 90 days after you purchase an item.*

### **Item Pricing & Goods Out of Stock:**

*In general, merchants must mark merchandise with the actual selling price. They also must disclose to the consumer the cost of service prior to agreement. Merchants cannot misrepresent the price, or claim that it is reduced, or is being offered for a limited time only, when this is untrue. There are exceptions to this general rule, including certain non-food retailers who utilize in-aisle electronic price scanner systems who may not be subject to this requirement.*

*All stores are also required to sell any item at the lowest price indicated on an item, sign, or advertisement. Consumers are entitled to the lowest advertised or marked price unless it is a gross human error. The law doesn't specify what constitutes a gross human error; it is subject to a "reasonableness" standard, which can only be determined by a judge.*

*For non-grocery stores: Each item must have a price sticker affixed, **unless** the store provides scanners for consumer use. There are some exceptions:*

- Items sold by length, weight, items retrieved by store staff, items small in size and sold next to the cash register and end aisle displays are not subject to this requirement.*
- Prices must still be on the shelf or rack where items are sold, however.*

*Generally, rain checks have to be issued when goods are out of stock unless the ad in which the product is advertised states that quantities are limited or demand was much higher than anticipated, or the product is unavailable in certain geographic areas.*

*There is no law that says the store has to refund the difference if an item is purchased at regular price and then goes on sale subsequently, but some stores do this out of good will.*

### **Shopping Tips:**

*Remember to read all advertisements carefully. If you have questions about the ad, ask the seller. This applies to sales in person, or by mail, or by other means. Shop around for the best price. A seller is not required by law to give you a later sale price if the item you buy goes on sale after you buy it. Ask if an item is going on sale soon, or if it will be part of a special seasonal sale. For example, sales of linens tend to be in January, new motor vehicles often go on sale in the late summer or early fall, when the "model year" changes. Seasonal items often go on sale mid-way through the season. For example, after July 4<sup>th</sup>, summer clothing items are often marked down substantially.*

### **Closing:**

*In closing, we hope this podcast on basic retail rights has been informative. Understanding and exercising your basic consumer rights in this area can protect you against fraud and deception and can help you make well-informed decisions before you spend your money.*

*On behalf of the New Bedford Local Consumer Program, we want to thank you for your interest in our podcast series. You can expect more tips on other consumer topics in the near future. Follow us on Twitter @NewBedfordLCP and Facebook at [consumer@newbedford-ma.gov](mailto:consumer@newbedford-ma.gov) for even more consumer protection tips.*